



Internal Revenue Service

Alcohol, Tobacco and Firearms Division
Washington, D.C. 20224

Industry Circular

Industry Circular No. 69- 21

September 25, 1969

PARTIAL SHIPMENTS DELAYED IN TRANSIT BETWEEN FACTORIES AND EXPORT WAREHOUSES

Manufacturers of tobacco products, manufacturers of cigarette papers and tubes, and proprietors of export warehouses:

Purpose. This industry circular sets forth a procedure which can be followed to properly account for tobacco articles when they are transferred in bond to or between export warehouses or are returned to a factory from an export warehouse and part of the shipment is temporarily lost and later delivered to the consignee.

Background. Occasionally proprietors of export warehouses receive shipments of tobacco articles from factories or other export warehouses and find the shipment is incomplete in relation to the quantities shown on the covering Form 2149 or 2150. Manufacturers may also occasionally receive incomplete shipments of tobacco articles being returned to factories from export warehouses. The regulations in 26 CFR 290.200 and 290.201 require that immediately upon receipt of a shipment the person receiving the shipment (consignee) shall execute the certificate of receipt on each copy of the notice of removal, noting thereon any discrepancy, and return one copy of the notice to the person who made the shipment (consignor). In some instances the missing articles are later delivered to the consignee.

Transfer to export warehouse. When tobacco articles which have been temporarily lost from a transfer in bond are delivered to an export warehouse after the proprietor has received part of the shipment and properly disposed of the covering Form 2149 or 2150, he should enter in his records and on his record copy of the covering Form 2149 or 2150 the quantities of articles so received and the actual date of receipt. He should also prepare a letter, in original and three copies, to the consignor informing him of the receipt. All copies of the letter should be signed and it should identify, by serial number and date, the Form 2149 or 2150 covering the shipment from which the articles were temporarily lost, specify the kind and quantity of articles belatedly received, and give the date of actual receipt. The original and one copy of the letter should be sent to the consignor, one copy should be filed with the proprietor's monthly report for the month in which the temporarily delayed articles were received, and the remaining copy retained by the proprietor as part of his records.

When the consignor receives the two copies of the letter he should send the original to his assistant regional commissioner to obtain relief from the tax liability on the articles accounted for (or submit it with a claim if the tax has been paid or assessed), and associate the remaining copy of the letter with the related Form 2149 or 2150 and retain it as part of his records.

Return to factory. When tobacco articles which have been temporarily lost from a shipment of articles being returned to a factory from an export warehouse are delivered after the manufacturer has received part of the shipment and properly disposed of the covering Form 2150, he should enter in his records and on his record copy of the covering

Form 2150 the quantities of articles so received and the actual date of receipt. He should also prepare a letter, in original and two copies, to the export warehouse proprietor informing him of the receipt. All copies of the letter should be signed and it should identify, by serial number and date, the Form 2150 covering the shipment from which the articles were temporarily lost, specify the kind and quantity of articles belatedly received, and give the date of actual receipt. The original and one copy of the letter should be sent to the export warehouse proprietor, and the remaining copy should be retained by the manufacturer as part of his records.

Upon receipt of the two copies of the letter the export warehouse proprietor should forward the original to his assistant regional commissioner to obtain relief from the tax liability on the tobacco articles accounted for (or submit it with a claim if the tax has been paid or assessed), and associate the remaining copy of the letter with the related Form 2150 and retain it as part of his records.

Inquiries. Any inquiries regarding this circular should be made to the office of your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.

A handwritten signature in dark ink, appearing to read "Harold A. Serr", is positioned above the printed name.

Harold A. Serr, Director
Alcohol, Tobacco and Firearms Division